REMARKS/ARGUMENTS

The Applicants respectfully request that the Examiner consider the following remarks in addition to the amendments presented above in view of the 13 July 2004 final Office action and the 17 August 2004 telephone interview.

Interview Record Under MPEP § 713.04

On 17 August 2004, the undersigned attorney interviewed this case by telephone with Examiners T.D. Nguyen. Pursuant to MPEP § 713.04, the Applicants record the substance of the interview as follows:

(A) No exhibits were shown and no demonstrations were conducted.

(B) Several independent claims and a number of dependent claims were discussed.

(C) WO 99/60503 and U.S. Patent No. 6,009,415 to Shurling et al. were discussed.

(D) Proposed amendments clarifying the number of parties involved in the claimed methods were discussed.

(E) The Applicants argued why WO 99/60503, whether considered alone or in combination with Shurling et al. or the other references, fails to render obvious the Applicants' claimed invention. Applicants also mentioned why some of the references are not be properly combinable with each other because of the failure of the references to provide any teaching or suggestion supporting the combination, and the failure of the references to provide any expectation of success of any such combination.

(F) The Examiner suggested that an RCE should be filed rather than an after-final amendment if the proposed amendments mentioned above were going to be added to the claims.

(G) The Examiner suggested that the proposed claim amendments would further clarify the distinctions between the claimed subject matter and the references and may lead to allowable subject matter. Per the Examiner, additional searching may be necessary.

Claim Rejections Under 35 U.S.C. § 103(a) Based Upon WO 99/60503 in View of Shurling et al. (US Patent 6,009,415) Alone or Further in View of Article 12/1999

Claims 8-29, 32-46, 47-53, 54, and 71-89 stand rejected under § 103(a) "as being unpatentable over WO 99/60503 in view of SHURLING et al [(the '415 patent)] alone or further in view of Article 12/1999." 13 July 2004 final Office action, at p. 2, § 2, ¶ 1 (emphasis in original). In their response to the prior Office action (i.e., the 3 October 2003 Office action), the Applicants canceled claims 1-7, 29, and 31. Thus, in response to the above rejection under § 103(a), the Applicants respectfully traverse the rejection of remaining claims 8-28, 32-46, 47-53, 54, and 71-89 for at least the following reasons.

International Publication No. WO 99/60503 is directed toward a system and method of gathering demographic information (see, e.g., WO 99/60503, p. 1, lines 4-5; p. 9, lines 10-12 and lines 17-20; p. 22, lines 13-15; Abstract, lines 1-3) that makes it possible for a website proprietor to target certain demographic groups when selecting website content, such as advertising banners (see, e.g., WO 99/60503, p. 1, last line, to p. 2, line 5; p. 22, lines 19-21). In order to incentivize website visitors to provide the requested demographic information, the website visitors are offered incentive awards in exchange for providing the requested demographic information and for interacting with specified websites in a predefined manner (see, e.g., WO 99/60503, p. 1, lines 6-7; p. 9, lines 12-14). "Interacting in a predefined manner" includes answering questionnaires (see, e.g., WO 99/60503, p. 9, lines 23-27; p. 11 lines 23-26), answering other questions (see, e.g., WO 99/60503, p. 10, line 28, to p. 11, line 4; p. 11, lines 19-21; p. 16, lines 12-14), visiting certain website pages (see, e.g., WO 99/60503, p. 10, line 28, to p. 11, line 4; p. 13, lines 15-18), and returning to the website after a predetermined time has passed (see, e.g., WO 99/60503, p. 11, lines 21-23; p. 16, lines 1-4 and lines 8-10). When a user subsequently visits participating websites, the user does not have to re-enter demographic information (see, e.g., WO 99/60503, p. 9, line 23), and the user is awarded additional points that may be redeemed for products or services at a later date. In another aspect of the system disclosed in WO 99/60503, the system prepares reports for a participating website proprietor providing a demographics profile of the participating users who interact with the website in predefined ways (see, e.g., WO 99/60503, p. 10, lines 20-24; p. 16, lines 12-14). Finally, the system disclosed in WO 99/60503 also provides separate redemption sites where participating website users can visit

to convert their accumulated points into products or services (see, e.g., WO 99/60503, p. 11, lines 7-9).

The WO 99/60503 system preferably awards points for merely visiting a participating website (see, e.g., WO 99/60503, p. 11, lines 5-6), and, at most, merely requires that the participating visitor answer questions or visit certain pages to obtain an award of points. In the Applicants' claimed system and method, however, a first-party loan servicer facilitates the user making a purchase from a third-party merchant in order to obtain loyalty points that may be used to pay down the principal of a loan being serviced by the first-party loan servicer. In the Applicants' claimed system and method, therefore, a user must spend money at a third party's website before they will earn loyalty points that may be applied to reduce the balance on their loan being serviced by a first-party loan servicer. In the WO 99/60503 system and method, the website proprietor "buys" the products and services for a website user in exchange for demographic information provided by the user – a two-party transaction wherein the user gets gifts for providing demographic information about themselves. That demographic information provided by the user is ultimately used by the website proprietor to alter the content of the proprietor's website to more closely tailor it to what the proprietor expects the users to be looking for. If the website proprietor can thus drive users to its website, the proprietor can make money off of content providers (i.e., companies who advertise their products on the proprietor's website) rather than directly from the website users or visitors themselves. This is vastly different from what occurs with the Applicants' claimed invention.

Another way to look at this is that the system and method in the WO 99/60503 publication rewards website users for providing information that may help a website proprietor change its website content based upon what it believes the website visitors want to see. On the other hand, in the Applicants' claimed system and method, the website content is not changed based upon information provided by a website visitor. Rather, in the Applicants' claimed invention, the website visitor presumably already knows what he or she wants to purchase and is being merely incentivized to make that purchase from selected third-party merchants by allowing the website visitor to obtain a "rebate" from its purchase that may be applied to reduce the principal balance of a loan being serviced by a party other than the third-party merchant, for example. The WO 99/60503 publication is directed towards a system and method for awarding points to users who provide demographic information and who surf certain participating

websites. The Applicants respectfully submit that WO 99/60503's two-party system that incentivizes web users to provide demographic information about themselves and to surf certain select sites is quite different from the Applicants' claimed invention directed toward a three-party (or more) system and method for paying down the principal balance of a loan being serviced by one party through purchases from third-party merchants.

The rejection of claims 8-28, 32-46, 47-53, 54, and 71-89 under § 103(a) also relies upon the '415 patent to Shurling et al. The Applicants respectfully submit that, even assuming without admission that the '415 patent is properly combinable with the WO 99/60503 publication in a § 103(a) rejection, the '415 patent does not make up for all that is lacking in the WO 99/60503 publication.

The '415 patent to Shurling et al. is directed toward a relationship scoring and incentive reward system and method. The '415 patent thus discloses a two-party system for rewarding loyal bank customers with rate incentives: (1) lower loan rates; or (2) higher deposit accounts rates. The system disclosed in the '415 patent pertains to a data processing technique for determining the number of different relationships that a customer has with the bank, scoring the relationships, and awarding incentive rewards based upon the relationship score. See, e.g., '415 patent, col. 1, lines 7-11. Giving recognition to bank customers who do a substantial amount of business with the bank is quite different from the Applicants' claimed three-party system that allows consumers to pay down the principal balance of an existing loan by making purchases from select third-party merchants. In the Applicants' claimed invention, a consumer who has a loan with a first-party loan servicer is allowed to apply points earned by making purchases from third-party merchants to pay down the principal balance of the loan with the first party – a three-party transaction coordinated by, for example, the loan servicer. On the other hand, in the '415 system, the bank itself gives certain bank customers better deals on future interactions with the bank because they have been loyal to the bank in the past – a much different two-party transaction. The '415 patent would be a closer reference to what the Applicants are claiming if it disclosed the bank allowing Mr. Shurling to redeem, for example, his frequent flyer miles from an unrelated third-party to pay down his existing loan with the bank. The '415 patent not only fails to disclose or suggest a system for paying down the principal balance of an existing loan with the disclosed incentive rewards, but the '415 patent also fails to disclose or suggest a system for paying down the principal balance of an existing loan with loyalty points earned from a

third-party merchant. In the Applicants' view, there is a huge difference between a bank itself giving a customer a break on the interest rate on a new loan with the bank ("if you do more business with this bank, the bank itself will give you a better deal next time") and allowing a customer to pay back an existing loan using "rebates" earned by purchases from third-party purchases ("as your first-party loan servicer, we will allow you to apply rebates from an unrelated third-party merchant to pay down your existing loan with us, your first-party loan servicer"). The '415 patent discloses a two-party transaction, and the Applicants' claims are directed toward a different, three-party transaction.

"To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge that is generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on Applicants' disclosure." MPEP § 706.02(j) (citing In re Vaeck, 947 F.2d 488, 20 USPQ 2d 1438 (Fed. Cir. 1991)). The Applicants respectfully submit that their system and method of rejected independent claims 8, 47, 54, and 71, which allows consumers to pay back the principal balance of a loan being serviced by a first party loan servicer by applying points obtained by making purchases from selected third-party merchants, is unique. It is neither disclosed nor rendered obvious by the '415 patent cited by the Examiner, whether considered alone or in combination with the WO 99/60503 publication. Neither of these relied upon references suggests or teaches a three-party transaction for repayment of a loan using loyalty points earned from purchases at third-party merchants, and the Applicants could find nothing in either of these references suggesting their combination, let alone giving one an expectation of such a combination succeeding. Thus, the Applicants believe that, not only do the teaching of these references fail to disclose or suggest each of the limitation in the Applicants' independent claims that are subject to this rejection, but the cited references also fail to include anything suggesting or supporting their combination as proffered by the Examiner, and the cited references also fail to include anything creating any expectation that the proffered combination would perform successfully.

The rejection of pending claims 8-28, 32-46, 47-53, 54, and 71-89 under § 103(a) also further relies, in the alternative, upon "Article 12/1999" in addition to WO 99/60503 in view of the '415 patent to Shurling et al. The Examiner cites Article 12/1999 as showing that it is well known to conduct banking transactions on a website. This Article also mentions the ability of banking customers to collect points that may be redeemed for gifts that include "mobile phones, digitals cameras, and retail vouchers." The Applicants are not, however, claiming to have invented the concept of rewarding points that are redeemable for gifts. Rather, the Applicants' claimed invention is directed toward a three-party system for obtaining points by making purchases from selected third-party merchants and then being able to apply those points to reduce the principal balance of a loan being service by a party that is different from the third-party merchants from whom the purchases are being made. Again, the Applicants respectfully submit that this is neither suggested nor disclosed by Article 12/1999, whether considered alone or in combination with WO 99/60503 and/or the '415 patent to Shurling et al.

Dependent claims 9-28, 32-46, 48-53, and 72-89 add further limitations that the Applicants also believe the cited references fail to disclose, at least in the context of a three-party transaction. Additionally, some of these dependent claims (e.g., claims 19, 20, 21, 27, 52, and 53) are directed toward four-party transactions, which is even a further departure from the cited references. The Applicants thus respectfully request that the Examiner reconsider and withdraw these rejections of pending claims 8-28, 32-46, 47-53, 54, and 71-89 under § 103(a).

Claim Rejections Under § 103(a) Based Upon WO 99/60503 in View of Shurling et al. (the '415 Patent) as Applied to Claims 8-28 and 32-46 Above, and Further in View of Article 4/1993 (All Nippon ... Frequent Flyers)

Claims 30 and 31 stand rejected under § 103(a) as being unpatentable over a combination of three references: WO 99/60503 in view of the '415 patent as applied to claims 8-28 and 32-46 above, and further in view of Article 4/1993. In their response to the prior Office action (i.e., the 3 October 2003 Office action), the Applicants canceled claim 31. Thus, in response to the above rejection under § 103(a), the Applicants respectfully traverse the rejection of remaining dependent claim 30 for at least the following reasons.

In addition to depending from what the Applicants believe is allowable independent claim 8, claim 30 adds a fourth party to the transaction. The first party (i.e., the loan servicer)

facilitates accumulation of loyalty points by a first user at a third-party merchant site. The first party then permits the first user to transfer accumulated loyalty points to a fourth party. The Applicants respectfully submit that the cited references, whether considered alone or in combination, fails to disclose or suggest this claimed system, even assuming for sake of argument and without admission that the three references are properly combinable. Thus, the Applicants respectfully request that the Examiner reconsider and withdraw this rejection of pending dependent claim 30 under § 103(a).

Claim Rejections Under § 103(a) Based Upon WO 99/60503 in View of Shurling et al. (the '415 Patent) as Applied to Claim 54 Above, and Further in View of Wong et al. (US Patent 6,119,933)

Claims 55-62 stand rejected under § 103(a) as being unpatentable over WO 99/60503 in view of the '415 patent to Shurling et al. as applied to independent claim 54 above, and further in view of US Patent 6,119,933 to Wong et al. (the '933 patent). The Applicants respectfully disagree with this rejection for at least the following reasons.

The '933 patent of Wong et al. discloses a method and apparatus for customer loyalty and marketing analysis. The Examiner cites Wong et al. as disclosing the display of "information about the accumulated loyalty points to the user by categorizing the points with several status such as 'new', 'pending', 'earned', etc, and displaying the points for each status (see, col. 5, lines 45-60)." 13 July 2004 Office action, p. 8, § 4, ¶ 2. The cited portion of Wong et al., however, fails to make the suggested disclosure. Rather, the cited portion of Wong et al. discloses what comprises an "award transaction" and what occurs when an award transaction is submitted by a member. An award transaction includes information about its status, whether "new, pending, fulfilled or shipped." See, e.g., '933 patent, col. 5, lines 50-51. As is stated in the '933 patent, when "the award transaction is submitted, it is retained in a pending request queue for a short period of time before completing its processing. This is to easily permit cancellation by the user." '933 patent, col. 5, lines 51-54. This discussion in the '933 patent assumes that the member is entitled to seek an award, but has nothing to do with how loyalty points may be categorized prior to being used. The method and apparatus disclosed in Wong et al. is primarily directed toward analyzing customer loyalty and marketing rather than a customer

loyalty program per se. Rather, the method and system provide feedback about customers to proprietors so that they may enhance their marketing to their loyal customers. '933 patent, col. 1, lines 56-60. In one aspect of the method and apparatus disclosed in the '933 patent, the system keeps track of customer frequency award points in order to encourage customers to participate in the system. The Wong et al. patent includes only a cursory discussion of award points, fails to include any discussion of the use of such award points for repayment of any type of loan, and fails to include any discussion that would suggest its combination with either WO 99/60503 or Shurling et al. The Applicants thus respectfully request that the Examiner reconsider and withdraw this rejection of claims 55-62 under § 103(a).

Claim Rejections Under § 103(a) Based Upon WO 99/60503 in View of Shurling et al., and Further in View of Wong et al., as Applied to Claims 55-62 Above, and Further in View of Article 4/1993

Claims 63, 64, and 65-70 stand rejected under § 103(a) as being unpatentable over a combination of four references: WO 99/60503 in view of the '415 patent to Shurling et al., and further in view of the '933 patent to Wong et al., as applied to claims 55-62 above, and further in view of Article 4/1993. The Applicants respectfully disagree with the rejection of these claims since the cited references fail do disclose or render obvious the claimed invention for at least the reasons already provided above. The Applicants further respectfully submit that when it takes a combination of four references to try to find the elements of an applicant's claims in the prior art, that suggests the improper use of hindsight to come up with the Applicants' claimed invention using the claims as a template for selecting references.

The Applicants thus respectfully request that the Examiner reconsider and withdraw this rejection of claims 63, 64, and 65-70 under § 103(a).

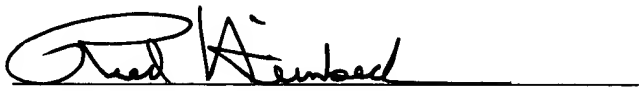
Conclusion

Following entry of the above amendments, claims 8-28, 30, and 32-89 are pending in the application. The Applicants believe that these claims are in condition for allowance and respectfully request that a Notice of Allowance be issued in this case.

If the Examiner has any questions, he is encouraged to contact the undersigned attorney directly at the number or email address provided below. If the Office determines that any

additional fees are due that are not enclosed herewith, the Office is authorized to charge customer deposit account number 502885.

Respectfully submitted this 12th day of October 2004.



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